

Board Meeting Minutes  
January 3, 2018

Present via teleconference were:

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|---|--|
| Doug La Follette, Commissioner                                | Secretary of State                     |
| Matt Adamczyk, Commissioner                                   | State Treasurer                        |
| Brad Schimel, Board Chair                                     | Attorney General                       |
| Jonathan Barry, Executive Secretary                           | Board of Commissioners of Public Lands |
| Vicki Halverson, Office Manager                               | Board of Commissioners of Public Lands |
| Richard Sneider, Loan Analyst and<br>Chief Investment Officer | Board of Commissioners of Public Lands |

**ITEM 1. CALL TO ORDER**

Board Chair Schimel called the meeting to order at 2:03 p.m.

**ITEM 2. APPROVE MINUTES – DECEMBER 5, 2017**

**MOTION:** Board Chair Schimel moved to approve the minutes; Commissioner La Follette seconded the motion.

**DISCUSSION:** None.

**VOTE:** The motion passed 3-0.

**ITEM 3. APPROVE LOANS**

Executive Secretary Barry reported that the loans had been reviewed for proper public purpose.

Municipality	Municipal Type	Loan Type	Loan Amount
1. Center Rock County Application #: 02018091 Purpose: Refinance BCPL loan #2017075	Town Rate: 3.50% Term: 10 years	General Obligation	\$108,929.81
2. Elmwood Pierce County Application #: 02018095 Purpose: Remodel village-owned nursing home	Village Rate: 4.00% Term: 20 years	General Obligation	\$450,000.00
3. Gillett Oconto County Application #: 02018094 Purpose: Purchase capital equipment	City Rate: 3.50% Term: 10 years	General Obligation	\$167,750.00
4. Hawkins Rusk County Application #: 02018093 Purpose: Purchase land	Village Rate: 3.50% Term: 10 years	General Obligation	\$140,000.00

5.	Hewitt Marathon County Application #: 02018096 Purpose: Purchase dump truck	Town Rate: 3.50% Term: 10 years	General Obligation	\$100,000.00
6.	Lodi Columbia and Dane Counties Application #: 02018092 Purpose: Purchase smart lab equipment	School Rate: 3.00% Term: 5 years	General Obligation	\$230,000.00
7.	Sturtevant Racine County Application #: 02018097 Purpose: Finance TID #4 property and projects	Village Rate: 3.50% Term: 10 years	General Obligation	\$800,000.00
<b>TOTAL</b>				<b>\$1,996,679.81</b>

**MOTION:** Commissioner La Follette moved to approve the loans; Board Chair Schimel seconded the motion.

**DISCUSSION:** Commissioner Adamczyk questioned the interest rate for the village of Elmwood’s loan. He had contacted village officials about other lending options and learned one lending institution’s interest rate for the project would have been 5 percent. He asked why State Trust Fund Loan interest rates were broken into three categories and why there was a nine-year span for the 11-20 year term but only a three- and four-year span for the other categories. He also asked why the 20-year interest rate was set at four percent. Executive Secretary Barry said rate terms are set for simplicity and ease of administration. Richard Sneider added that they are also set to be competitive with current market rates.

Commissioner Adamczyk said he was not supportive of the loans; the Board had a fiduciary responsibility to the beneficiaries; and the Board does not have a “fiduciary duty to give Elmwood Village a good deal.” He said he also contacted officials at the city of Gillett and town of Hewitt regarding their borrowing options. The rates they would have received from a local bank were the same as a State Trust Fund Loan. He does not support the loans and will vote no.

**VOTE:** The motion passed 2-1. Commissioner La Follette and Board Chair Schimel voted aye; Commissioner Adamczyk voted no.

#### **ITEM 4. FUTURE AGENDA ITEMS**

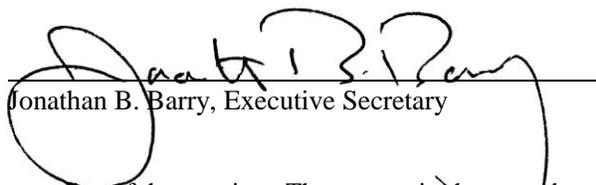
None.

#### **ITEM 5. EXECUTIVE SECRETARY’S REPORT**

Richard Sneider reported that 2017 finished with capital gains over \$10 million, a record for the agency; nearly \$500 million in State Trust Fund Loans; and \$540 million in bonds. Commissioner La Follette and Board Chair Schimel thanked the staff for the efforts.

**ITEM 6. ADJOURN**

The meeting adjourned at approximately 2:11 p.m.



Jonathan B. Barry, Executive Secretary

These minutes have been prepared from a recording of the meeting. The summaries have not been transcribed verbatim.  
Link to audio recording: [ftp://doafpt1380.wi.gov/doadocs/BCPL/2018-01-03\\_BCPL-BoardMtgRecording.mp3](ftp://doafpt1380.wi.gov/doadocs/BCPL/2018-01-03_BCPL-BoardMtgRecording.mp3)